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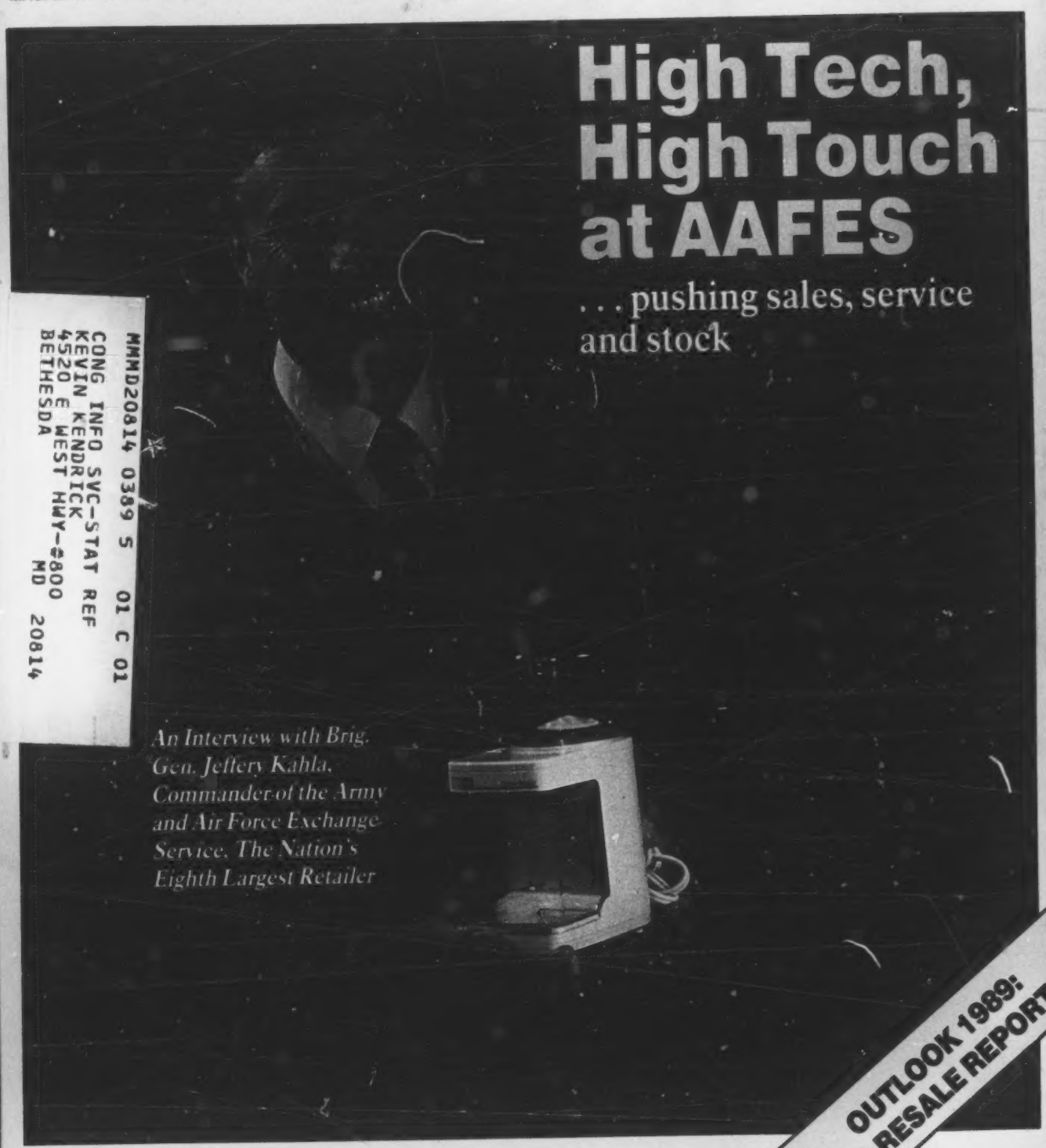

High Tech, High Touch at AAFES

. . . pushing sales, service and stock

An Interview with Brig. Gen. Jeffery Kahla, Commander of the Army and Air Force Exchange Service, The Nation's Eighth Largest Retailer

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OUTLOOK 1989: A RESALE REPORT

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Work starts on new commissaries in Germany

Fall was the season for groundbreakings in the Troop Support Agency, as Germany saw construction begin on several new projects.

☐ On Sept. 19, work began on a 15,904 square-foot warehouse and office addition at the Aschaffenburg commissary. The project will cost $1.3 million and should be completed in August of 1989.

TSA expects the addition to almost double the current warehouse capacity of 8,720 square feet.

☐ Construction on a new commissary at Garlstedt, Germany, was scheduled to begin Nov. 7. The new store, which should be completed in April of 1990, will replace the Osterholz-Scharmbeck commissary. Total costs for the project come to $7,913,568.

The replacement will mean an increase of 56,122 square feet in total area, with warehouse space increasing from just 472 square feet to 23,408 square feet. The new 61,472-square-foot facility will include 13,984 square feet of sales and front-end area and 3,036 square feet of administrative office space. The existing store has 3,534 square feet of sales area and 168 square feet of administrative space.

In the front-end area, the number of check-out counters will go from three to five, and these will be improved with scanning equipment and electronic scales. Parking area will decrease, with a loss of 25 spaces.

Energy-saving features, a delicatessen, a bakery and closed-circuit television are some of the other features to be included in the new facility. The original store was built in 1980.

Customer transactions in commissaries

	TOTAL SALES	NUMBER OF TRANSACTIONS	AVERAGE TRANSACTION
ALL COMMISSARY SYSTEMS			
Fiscal 1986	$4,729,354,943	110,918,780	$42.64
Fiscal 1987	4,963,584,876	N/A	N/A
Fiscal 1988*	4,739,267,729	112,354,562	42.18
MARINE CORPS COMMISSARY SERVICE BRANCH			
Fiscal 1986	164,850,744	3,870,321	42.59
Fiscal 1987	167,006,746	3,830,717	43.60
Fiscal 1988	171,351,676	3,855,299	44.45
AIR FORCE COMMISSARY SERVICE			
Fiscal 1986	2,114,773,083	46,319,472	45.66
Fiscal 1987	2,210,378,000	N/A	N/A
Fiscal 1988	2,323,573,650	55,774,692	41.66
NAVY RESALE AND SERVICES SUPPORT OFFICE			
Fiscal 1986	807,962,116	18,947,114	42.64
Fiscal 1987	844,090,130	19,569,128	43.13
Fiscal 1988	869,642,403	19,662,468	44.23
TROOP SUPPORT AGENCY			
Fiscal 1986	1,641,769,000	41,781,873	39.29
Fiscal 1987	1,742,110,000	42,660,799	40.84
Fiscal 1988*	1,374,700,000	33,062,103	41.58

* TSA only through third quarter.

SOURCE: Commissary services.

Military Market index

COMMISSARIES

		SEPTEMBER			YEAR TO DATE		
		CY'88	CY'87	% CHANGE	CY'88	CY'87	% CHANGE
	CONUS	$168,610	$167,252	0.81	$1,464,752	$1,440,888	1.66
	OVERSEAS	37,025	40,413	-8.38	331,534	307,167	7.93
AIR FORCE	TOTAL	**205,636**	**207,665**	**-0.98**	**1,796,286**	**1,748,055**	**2.76**
	CONUS	115,290	109,725	5.07	1,032,815	1,005,480	2.72
	OVERSEAS	41,790	39,165	6.70	385,980	354,795	8.79
ARMY	TOTAL	**157,080**	**148,890**	**5.50**	**1,418,795**	**1,360,275**	**4.30**
	CONUS	74,363	71,936	3.37	584,741	569,447	2.69
	OVERSEAS	8,452	7,891	7.11	66,350	63,446	4.58
NAVY	TOTAL	**82,814**	**79,827**	**3.74**	**651,091**	**632,894**	**2.88**
	CONUS	16,191	14,958	8.24	125,001	121,393	2.97
	OVERSEAS	294	273	7.69	2,722	2,468	10.29
MARINE CORPS	TOTAL	**16,485**	**15,231**	**8.23**	**127,723**	**123,860**	**3.12**
	CONUS	313	280	11.79	2,394	2,260	5.93
	OVERSEAS	261	327	-20.18	2,583	2,737	-5.63
COAST GUARD	TOTAL	**573**	**606**	**-5.45**	**4,976**	**4,997**	**-0.42**
	CONUS	$374,767	364,151	2.92	3,209,703	3,139,468	2.24
ALL	OVERSEAS	$87,822	88,069	-0.28	789,169	730,613	8.01
COMMISSARIES	TOTAL	**$462,589**	**$452,220**	**2.29**	**$3,998,872**	**$3,870,081**	**3.33**
GROCERY STORES	*U.S.[1]*	*$26.390*	*24.370*	*8.29*	*230.805*	*220.366*	*4.74*

EXCHANGES

		SEPTEMBER			YEAR TO DATE		
		CY'88	CY'87	% CHANGE	CY'88	CY'87	% CHANGE
	CONUS	$281,291	$264,342	6.41	$2,457,786	2,319,581	5.96
	OVERSEAS	210,221	204,535	2.78	1,944,097	1,734,561	12.08
AAFES	TOTAL	**491,512**	**468,877**	**4.83**	**4,401,883**	**4,054,142**	**8.58**
	CONUS[2]	116,250	95,325	21.95	909,469	829,383	9.66
	OVERSEAS[2]	48,845	40,853	19.56	399,056	360,457	10.71
NAVY	TOTAL[2]	**165,095**	**136,178**	**21.23**	**1,308,525**	**1,189,840**	**9.97**
	CONUS	30,617	28,808	6.28	268,946	260,317	3.31
	OVERSEAS	4,987	5,338	-6.58	46,470	45,132	2.96
MARINE CORPS	TOTAL	**35,605**	**34,146**	**4.27**	**315,417**	**305,449**	**3.26**
	CONUS[3]	6,723	6,767	-0.65	58,233	59,421	-2.00
	OVERSEAS[3]	501	504	-0.60	4,338	4,426	-1.99
COAST GUARD	TOTAL[3]	**7,224**	**7,271**	**-0.65**	**62,570**	**63,847**	**-2.00**
	CONUS[4]	1,120	876	27.85	10,861	11,711	-7.26
	OVERSEAS[4]	1,907	1,493	27.73	17,375	19,562	-11.18
MAIL ORDER	TOTAL[4]	**3,027**	**2,368**	**27.83**	**28,236**	**31,273**	**-9.71**
	CONUS	$436,001	$396,118	10.07	$3,705,295	$3,480,413	6.46
	OVERSEAS	$266,461	$252,723	5.44	$2,411,336	$2,164,138	11.42
ALL EXCHANGES	TOTAL	**$702,462**	**$648,841**	**8.26**	**$6,116,631**	**$5,644,551**	**8.36**
DEPARTMENT STORES	*U.S.[1]*	*$11.846*	*$11.132*	*6.41*	*$100.448*	*$96.088*	*4.54*

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ship stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (add 000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume.
NOTE: Distribution of sales by CONUS and overseas is based on definition by respective service and system. Figures do not include sales tax.